

Tobacco Settlement Enforcement Senate File 2317

Last Action:

**House Appropriations
Committee**

April 8, 2002

An Act relating to the Tobacco Master Settlement Agreement, including tobacco product manufacturer compliance, making an appropriation, and providing penalties.

Executive Summary Only



On Line At
staffweb.legis.state.ia.us/lfb/noba

LEGISLATIVE FISCAL BUREAU NOTES ON BILLS AND AMENDMENTS (NOBA)

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**EXECUTIVE SUMMARY
NOTES ON BILLS AND AMENDMENTS**

**SENATE FILE 2317
TOBACCO SETTLEMENT ENFORCEMENT**

**TOBACCO DISTRIBUTORS AND
MANUFACTURERS**

- Requires distributors, in order to conduct business in Iowa, to meet either of the following conditions:
 - The tobacco manufacturer is a participating manufacturer under the Master Settlement Agreement.
 - The tobacco manufacturer has provided the distributor with a current certification that the manufacturer and all predecessor manufacturers are in full compliance with the escrow requirements of the Master Settlement Agreement.

**DEPARTMENT OF REVENUE AND
FINANCE AND OFFICE OF THE
ATTORNEY GENERAL**

- Distributors who violate the provision of the Bill are subject to civil monetary penalties.
- Requires tobacco manufacturers to quarterly certify that they are either a participating manufacturer, or are in full compliance with the escrow requirement of the Master Settlement Agreement.
- Requires tobacco manufacturers to maintain both a registered office and a registered agent in the State.
- Requires the manufacturer's certification to be filed with the Department of Revenue and Finance and the Office of the Attorney General, and with distributors.
- Permits the Department of Revenue and Finance and the Office of the Attorney General, for enforcement purposes, to share information with each other and with the National Association of Attorneys General, and with agencies of other states.

SUPPLEMENTAL APPROPRIATION

- Makes a FY 2002 supplemental appropriation of \$945,000 to the Treasurer of State for payment of litigation fees incurred pursuant to the Master Settlement Agreement. The appropriation is made from the tax-exempt bond proceeds of the Restricted Capital Fund.

The General Assembly appropriated \$10.6 million for litigation payments in FY 2002 from the Restricted Capital Fund in HF 755 (FY 2002 Standing Appropriations Act). Litigation payments are based on estimated quarterly Master Settlement Agreement receipts, which have decreased slightly from the original estimate.

Trans., Infra., Capitals

Non General Fund

	<u>Actual</u> <u>FY 2001</u>	<u>House Approp</u> <u>FY 2002</u>	<u>Bill</u> <u>Number</u>
	<u>(1)</u>	<u>(3)</u>	<u>(4)</u>
<u>Treasurer of State</u>			
Tobacco Litigation Supplemental	0	944,880	SF 2317
Total Treasurer of State	\$ 0	\$ 944,880	